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Peter M. Lake
Chairman
Will McAdams
Commissioner



Greg Abbott
Governor

Thomas J. Gleeson
Executive Director

Public Utility Commission of Texas

TO: Peter M. Lake, Chairman
Will McAdams, Commissioner

All Parties of Record

FROM: Stephen Journeay, Commission Counsel

DATE: June 4, 2021

RE: June 11, 2021 Open Meeting – Item 23
Docket No. 51518 – *Non-Standard True-Up Filing of AEP Texas Inc. in Accordance with the Financing Order in Docket No. 39931.*

A proposed order in the above referenced docket is posted for consideration and action by the Commission. If the Commission approves the proposed order, I recommend the following changes.

Finding of fact 1 should be modified for accuracy.

1. AEP Texas is a ~~Ohio~~ Delaware for-profit corporation registered with the Texas secretary of state under filing number 802611352.

Finding of fact 3 should be modified to clarify why this proceeding only affects AEP Texas—Central Division.

3. Effective December 31, 2016, AEP Texas Central Company (AEP TCC) and AEP Texas North Company (AEP TNC) were merged into their parent company, now called AEP Texas. The merger was approved by the Commission in Docket No. 46050. The Commission ordered AEP Texas to “maintain separate TCC and TNC divisions, which will continue to charge separate rates and riders, and maintain separate tariffs, unless and until such time as the commission may consider and approve consolidated rates and tariffs.” Consistent with the Commission’s Order, AEP Texas maintains two divisions within AEP Texas: AEP Texas—Central Division (formerly AEP TCC) and AEP Texas—North Division (formerly AEP TNC). The Commission approved the consolidation of the rates of the two divisions in accordance with the rates, terms, and conditions of the agreement in Docket 49494. Schedule TC-3 is only applicable to the



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certificated service area previously served by AEP TCC. As a result, this~~This~~ proceeding only affects AEP Texas—Central Division.

A new finding of fact should be added after finding of fact 17 to account for AEP Texas's supplemental filing regarding the necessary justification for the proposed changes.

XX. On April 22, 2021, AEP Texas filed supplemental evidence regarding how the proposed adjustments to Rider TC-3 address the causes of the non-standard true-up, stating that the adjustments ensure the billing of transition charges necessary to generate the collection of sufficient amounts due in connection with transition bonds.

A new finding of fact should be added after finding of fact 22 to update the evidentiary record section to reflect AEP Texas's supplemental filing.

XX. On April 27, 2021, the ALJ admitted AEP Texas's April 22, 2021 supplemental filing.

Two new conclusions of law referencing PURA § 36.003(a) and (b) should be added. The new conclusions of law should be added after conclusion of law 4.

XX. The rates approved in this Order are just and reasonable under PURA § 36.003(a).

XX. In accordance with PURA § 36.003(b), the rates approved in this Order are not unreasonably preferential, prejudicial, or discriminatory and are sufficient, equitable, and consistent in application to each class of customers.

Conclusion of law 5 should be modified to accurately state AEP Texas's compliance with the financing order.

5. The calculation of the Rider TC-3 rates set out in Appendix A, Exhibit JAM-3 to the application and AEP Texas's supplemental filing ~~complies~~ comply with the requirements of the financing order in Docket No. 39931.

Additionally, the Commission should delegate to the Office of Policy and Docket Management the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

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